Exhibit DLH-1

Prepared Direct Testimony of

DARIN L. HOUCHIN, P.E.

Ill.C.C. Docket No.

Consumers DLH-1

Date 3/19/04 Reporter

Q. Please state your name and business address.

A. My name is Darin L. Houchin. My business address is 1004 State Street, Box 596, Lawrenceville, Illinois 62439.

Q. Please state your employment status.

A. I have been employed by Illinois Gas Company ("Illinois Gas", or the "Company") since May 1989. I began as the Assistant to the General Manager and am now Chief Engineer. I have additionally been employed by Utility Safety and Design (U.S.D.I.), a wholly-owned subsidiary of Illinois Gas, since January 1, 2000 and am now the Vice President of that Company.

Q. Describe your duties and responsibilities at Illinois Gas Company and U.S.D.I.

A. I am responsible for engineering, operations, regulation, pipeline safety, measurement and rate design at Illinois Gas Company. With U.S.D.I., I perform various gas engineering duties for a variety of municipal and private utility clients.

Q. What qualifications do you have which enable you to perform these tasks?

A. I have a Bachelor's degree in Civil Engineering from the University of Illinois. I am also a Licensed Professional Engineer in the State of Illinois. I have also attended

several of the seminars and short courses of the natural gas industry. I have been active in the Midwest Gas Association and am now a past member of the Distribution Committee of that organization. I have also performed a Cost of Service Study for Illinois Gas Company in past rate proceedings.

Q. What is your role in Consumers Gas' request for a general rate increase?

A. I am responsible for preparation of a cost of service study and weather normalization information.

Q. Are you familiar with the test period that Consumers Gas is using in this rate proceeding?

A. Yes, it is calendar Year 1999.

Q. Which Schedules are you responsible for providing for this filing?

A. I will be providing the following schedules for this filing:

Schedule A-3, Comparison of Present and Proposed Rates

Schedule E-5, Weather Normalized Revenue

Schedule E-7, Cost of Service and Development of Rates

Schedule E-12, Bill Comparisons

Q. Will you briefly describe the present rate structure of Consumers Gas?

A. The current tariffs provide for the following classes of customers:

Rate 1. Residential

Rate 2. Commercial

Rate 3. Industrial

Rate 4. Transportation

For purposes of this rate proceeding customers in Rates 3 and 4 were grouped together in the "Industrial" classification as the company is revenue neutral towards each class. The present rate structure and revenues during the test period are detailed on page 2 of Schedule E-5.

Q. Please explain your rationale for weather-normalization of the revenues for the test period.

A. Therm sales for the test period are known and taken from official Company records. To these sales figures a weather normalization factor was applied. The factor was developed utilizing a 30-year normal obtained from the National Weather Service. This data was obtained from a weather station in Albion, Illinois, which is in the heart of Consumers' territory. The records from the Albion station showed the calendar year 1999 to be 17.82% warmer than the 30-year normal. This represents an increase of 109,460 therms and 12,0377 dollars from the test year totals. Schedule E-5 describes the method used to weather-normalize the therms sold and revenues.

Q. Did you perform a Cost of Service Study for this rate proceeding?

A. Yes, I did.

Q. Could you elaborate on how you went about performing this study?

A. The Cost of Service Study (COSS), as detailed in Schedule E-7, was performed utilizing GasWorks 1.0 by Harvill, Elliot and Lazare. The COSS is very straightforward. The Company's costs for the test period were placed into their

functional groups and allocated based on allocation factors provided for in the spreadsheet. The costs from the functional groups were allocated following I.C.C. staff guidelines. For purposes of the study, all out of period adjustments and pro-forma adjustments were made to the cost data before it was fed into the study.

Q. Could you outline the rate structure the Company is proposing for this rate proceeding?

A. The Company is proposing no changes to its present rate structure.

Q. How did the Company arrive at the facility and therm charges it is proposing?

A. The testimony of Mr. Robinson explains the rationale for the rate increase. The method of arriving at the revenue requirement for the Company is covered in the testimony of Mr. Neff. The COSS model allocated expenses and rate base to each customer rate class. The allocation of the revenue requirement was made based on each classes contribution to the sum of the rate base and direct expenses. Using the COSS model, I added to or subtracted from each customer classes revenue until I achieved an equalized Pre-tax Rate of Return for all of the rate classes. I then added or subtracted that amount of dollars from the sum of the weather normalized test year revenue and the revenue requirement calculated by Mr. Neff. Revenue is derived from both facility and therm charges to each customer class. We proposed most of the revenue increase come from the facility charge because most of the expense in serving a customer comes from the fixed costs necessary to provide gas service to a particular customer independent of the amount of gas used. We support the decrease

in charges to the Industrial class due to the fact that the COSS showed that this class was cross-subsidizing all other classes. There is more competition from fuel switching in the Industrial class than in any other. We acknowledge this and wish to remain a competitive supplier of energy to these customers. The loss of this load would create substantially more upward pressure on the rates of the other classes than the rates we are proposing. The Company also compared its rates with those of the other Illinois utilities and found that in general the Company's facility charges were lower and its therm charges were higher than others. The Company recognizes the fact that there may be other ways of calculating the amount of cross class subsidization and supports moving towards elimination of these cross-class subsidies.

Q. Does this conclude your testimony?

A. Yes, it does.

Consumers Gas Company

Darin L. Houchin, (618) 396-8588

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Schedule A 3
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Schedule A-3 Comparison of Present and Proposed Rates

No.	Rate	Residential	Commercial	Industrial	Total
1	Average Number of Customers	5286	672	18	5976
2A	Billing Units (Facility Charges)	63432	8064	216	71712
2B	Wheather-Normalized Therm Sales	4945470	1668890	2955840	9570200
	Wheather-Normalized Revenue	$937,121.00	$260,333.00	$257,210.00	$1,454,664.00
	PGA Revenue	$2,151,614.00	$681,702.00	$697,799.00	$3,531,115.00
3	Total Revenue	$3,088,735.00	$942,035.00	$955,009.00	$4,985,779.00
	Proposed Facility Charges	$10.50	$14.50	$35.50	
	Proposed Therm Charges	$0.1345	$0.1710	$0.0747	
	Facility Revenue	$666,036.00	$116,928.00	$7,668.00	$790,632.00
	Therm Revenue	$664,952.69	$285,462.86	$220,838.44	$1,171,253.99
	Proposed Gas Revenue	$1,330,988.69	$402,390.86	$228,506.44	$1,961,885.99
	Proposed PGA Revenue	$2,151,614.00	$681,702.00	$697,799.00	$3,531,115.00
	Difference in Gas Revenue	$393,867.69	$142,057.86	($28,703.56)	$507,221.99
	Difference in PGA Revenue	$0.00	$0.00	$0.00	$0.00
4	Total Proposed Revenue	$3,482,602.69	$1,084,092.86	$926,305.44	$5,493,000.99
5	Total Revenue Difference	$393,867.69	$142,057.86	($28,703.56)	$507,221.99
6	Percentage Revenue Change	12.75	15.08	-3.01	10.17

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Billing units from facility charges for Rates 1, 2 and 3 were derived by simply taking the average number of customers for each rate class and multiplying by 12, (12 billing cycles per year). Facility revenue from the proposed rate classes for the test year was then found by multiplying the billing units by the appropriate facility charge.

Distribution revenue was found by taking the number of decatherms used by the customers in each rate class and multiplying by the appropriate distribution charge.

The number of decatherms was weather-normalized prior to the multiplication by the distribution charge, therefore yielding weather-normalized revenues from distribution charges. Adding the facility revenue to the distribution revenue yields the total weather-normalized revenue for the test year. There were no pro-forma adjustments to test year revenue.

Weather-normalized therm sales were found by taking the test year therm sales for each rate class and multiplying them by a normalization factor. This factor was calculated using a 30-year normal temperature from a weather station in Albion, Illinois operated by the National Weather Service. Albion along with Carmi are the major population centers in Consumer's territory. Key assumptions made were: the temperature at the Albion station was representative of the temperatures in Consumer's service territory, and the average monthly usage by customers in each rate class during July and August represented the base load. The base load was then assumed to be independent of temperature. The derivation of the weather normalization and the development of billing units follow on page 2. The weather station data from Albion and the calculation of the thirty year normal are on page 3.

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1998 Revenues Under Proposed Rate Classifications | **Weather Normalized Revenue**

	Number Cust	Sales DT	Dist Charge	Fac Charge	Total Revenue	July + August DT	Wheather-Normalized DT	Present Distribution Charge	Billing Units	Present Monthly Facility Charge	Wheather-Normalized Revenue
1	5286	422949	$448,833	$412,308	$861,141	15456	494547	$1.0812	63432	$8.50	$937,121
2	672	144677	$166,263	$68,544	$234,807	7039	166869	$1.1492	8064	$8.50	$260,333
3	18	273391	$232,464	$5,875	$238,339	28506	295584	$0.8503	216	$27.20	$257,210
Totals	5976	841017	$847,560	$486,727	$1,334,287		957020		71712		$1,454,664

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National Weather Service
Albion Weather Station

Supplied by Tracy Westfal National Weather Service (217) 244-8228
Heating Degree Days 30 - Year Normal

Year	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	ANNUAL
1969	1050	780	774	218	56	12	0	0	21	260	645	1021	4837
1970	1219	870	694	210	37	1	0	0	21	213	605	776	4646
1971	1070	846	682	299	99	0	0	0	25	55	549	622	4274
1972	993	868	582	281	44	10	1	0	15	296	675	949	4714
1973	956	787	346	317	102	0	0	0	8	137	435	954	4042
1974	901	719	481	223	75	9	0	0	90	218	522	863	4101
1975	840	800	711	313	24	2	0	0	95	174	438	850	4247
1976	1084	576	371	248	129	3	0	0	23	390	773	1033	4630
1977	1510	834	399	154	33	10	0	0	17	278	528	982	4745
1978	1303	1188	785	212	145	0	0	0	0	250	451	849	5183
1979	1374	1107	577	313	77	0	9	0	18	213	584	834	5106
1980	872	926	733	243	38	2	0	0	6	250	483	864	4417
1981	1070	706	580	104	123	0	0	0	36	246	478	983	4326
1982	1231	926	529	349	0	0	0	0	42	201	547	706	4531
1983	996	718	586	420	88	4	0	0	52	179	518	1211	4772
1984	1137	646	808	324	101	0	0	0	65	92	559	647	4379
1985	1254	968	442	184	35	7	0	0	54	132	416	1133	4625
1986	928	738	508	168	54	0	0	11	2	157	610	913	4089
1987	992	729	477	281	12	0	0	0	5	363	436	829	4124
1988	1099	943	567	231	31	5	0	0	11	389	578	867	4721
1989	794	973	542	300	152	4	0	0	55	183	569	1296	4868
1990	704	638	489	340	87	6	4	2	27	257	395	865	3814
1991	1073	675	506	159	8	0	0	0	80	159	676	812	4148
1992	911	626	543	255	213	16	0	3	53	254	663	949	4486
1993	1001	971	758	407	68	17	0	0	60	300	625	923	5130
1994	1241	857	649	271	125	8	0	0	54	182	434	771	4592
1995	1018	871	512	291	84	2	0	0	54	192	729	999	4752
1996	1112	866	838	387	84	2	0	0	45	222	737	890	5183
1997	837	736	551	404	146	9	3	0	17	288	692	935	4618
1998	795	637	656	263	23	20	0	0	2	169	429	825	3819
1999	**916**	**669**	**699**	**232**	**37**	**2**	**0**	**0**	**20**	**75**	**382**	**796**	**3828**
Normal	**1076**	**840**	**613**	**280**	**78**	**5**	**1**	**1**	**36**	**226**	**572**	**932**	**4658**

Consumers Gas Company
Schedule E-12 Bill Comparisons
Darin L. Houchin, (618) 395-8588

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Residential Customers

A. Previous Rates

Month	January	February	March	April	May	June	July	August	September	October	November	December
Pga	0.31332	0.29068	0.21818	0.27204	0.28144	0.39294	0.40739	0.40696	0.43619	0.38	0.35182	0.32648
Distribution Charge	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612	0.10612
Facility Charge	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
0 Therms	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
10	10.69	10.47	9.74	10.28	10.38	11.49	11.64	11.63	11.92	11.36	11.08	10.83
40	23.28	22.37	19.47	21.63	22.00	26.46	27.04	27.02	28.19	25.94	24.82	23.80
100	48.44	46.18	38.93	44.32	45.26	56.41	57.85	57.81	60.73	55.11	52.29	49.76
200	90.39	85.86	71.36	82.13	84.01	106.31	109.20	109.12	114.96	103.72	98.09	93.02
250	111.36	105.70	87.58	101.04	103.39	131.27	134.88	134.77	142.08	128.03	120.99	114.65
500	216.22	204.90	168.85	195.58	200.28	256.03	263.26	263.04	277.66	249.58	235.47	222.80
1000	425.94	403.30	330.80	384.66	394.06	505.56	520.01	519.58	548.81	492.62	464.44	439.10

B. Proposed Rates

Month	January	February	March	April	May	June	July	August	September	October	November	December
Pga	0.31332	0.29068	0.21818	0.27204	0.28144	0.39294	0.40739	0.40696	0.43619	0.38	0.35182	0.32648
Distribution Charge	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345	0.1345
Facility Charge	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
0 Therms	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50
10	14.98	14.75	14.03	14.57	14.66	15.77	15.92	15.91	16.21	15.65	15.36	15.11
40	28.41	27.51	24.61	26.76	27.14	31.60	32.18	32.16	33.33	31.08	29.95	28.94
100	55.28	53.02	45.77	51.15	52.09	63.24	64.69	64.65	67.57	61.95	59.13	56.60
200	100.06	95.54	81.04	91.81	93.69	115.99	118.88	118.79	124.64	113.40	107.76	102.70
250	122.46	116.80	98.67	112.14	114.49	142.36	145.97	145.87	153.17	139.13	132.08	125.75
500	234.41	223.09	186.84	213.77	218.47	274.22	281.45	281.23	295.85	267.75	253.66	240.99
1000	458.32	435.68	363.18	417.04	426.44	537.94	552.39	551.96	581.19	525.00	496.82	471.48

Consumers Gas Company
Schedule E-12 Bill Comparisons
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Commercial

A. Previous Rates

Month	January	February	March	April	May	June	July	August	September	October	November	December
Pga	0.31332	0.29068	0.21818	0.27204	0.28144	0.39294	0.40739	0.40696	0.43619	0.38	0.35182	0.32648
Distribution Charge	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492	0.11492
Facility Charge	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
0 Therms	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
10	12.78	12.56	11.83	12.37	12.46	13.58	13.72	13.72	14.01	13.45	13.17	12.91
40	25.63	24.72	21.82	23.98	24.35	28.81	29.39	29.38	30.54	28.30	27.17	26.16
100	51.32	49.06	41.81	47.20	48.14	59.29	60.73	60.69	63.61	57.99	55.17	52.64
200	94.15	89.62	75.12	85.89	87.77	110.07	112.96	112.88	118.72	107.48	101.85	96.78
250	115.56	109.90	91.78	105.24	107.59	135.47	139.08	138.97	146.28	132.23	125.19	118.85
500	222.62	211.30	175.05	201.98	206.68	262.43	269.66	269.44	284.06	255.96	241.87	229.20
1000	436.74	414.10	341.60	395.46	404.86	516.36	530.81	530.38	559.61	503.42	475.24	449.90

B. Proposed Rates

Month	January	February	March	April	May	June	July	August	September	October	November	December
Pga	0.31332	0.29068	0.21818	0.27204	0.28144	0.39294	0.40739	0.40696	0.43619	0.38	0.35182	0.32648
Distribution Charge	0.171	0.171	0.171	0.171	0.171	0.171	0.171	0.171	0.171	0.171	0.171	0.171
Facility Charge	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
0 Therms	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
10	19.34	19.12	18.39	18.93	19.02	20.14	20.28	20.28	20.57	20.01	19.73	19.47
40	33.87	32.97	30.07	32.22	32.60	37.06	37.64	37.62	38.79	36.54	35.41	34.40
100	62.93	60.67	53.42	58.80	59.74	70.89	72.34	72.30	75.22	69.60	66.78	64.25
200	111.36	106.84	92.34	103.11	104.99	127.29	130.18	130.09	135.94	124.70	119.06	114.00
250	135.58	129.92	111.80	125.26	127.61	155.49	159.10	158.99	166.30	152.25	145.21	138.87
500	256.66	245.34	209.09	236.02	240.72	296.47	303.70	303.48	318.10	290.00	275.91	263.24
1000	498.82	476.18	403.68	457.54	466.94	578.44	592.89	592.46	621.69	565.50	537.32	511.98

Consumers Gas Company
Schedule E-12 Bill Comparisons
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[redacted]dustrial

A. Previous Rates

Month	January	February	March	April	May	June	July	August	September	October	November	December
Pga	0.31332	0.29068	0.21818	0.27204	0.28144	0.39294	0.40739	0.40696	0.43619	0.38	0.35182	0.32648
Distribution Charge	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503	0.08503
Facility Charge	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20
0 Therms	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20	27.20
300	146.71	139.91	118.16	134.32	137.14	170.59	174.93	174.80	183.57	166.71	158.26	150.65
500	226.37	215.06	178.81	205.74	210.44	266.19	273.41	273.20	287.81	259.72	245.63	232.96
1000	426.55	402.91	330.41	384.27	393.67	505.17	519.62	519.19	548.42	492.23	464.05	438.71
3000	1222.25	1154.33	936.83	1098.41	1126.61	1461.11	1504.46	1503.17	1590.86	1422.29	1337.75	1261.73
5000	2018.95	1905.75	1543.25	1812.55	1859.55	2417.05	2489.30	2487.15	2633.30	2352.35	2211.45	2084.75
10000	4010.70	3784.30	3059.30	3597.90	3691.90	4806.90	4951.40	4947.10	5239.40	4677.50	4395.70	4142.30
20000	7994.20	7541.40	6091.40	7168.60	7356.60	9586.60	9875.60	9867.00	10451.60	9327.80	8764.20	8257.40

B. Proposed Rates

Month	January	February	March	April	May	June	July	August	September	October	November	December
Pga	0.31332	0.29068	0.21818	0.27204	0.28144	0.39294	0.40739	0.40696	0.43619	0.38	0.35182	0.32648
Distribution Charge	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747	0.0747
Facility Charge	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50
[redacted] Therms	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50	35.50
300	151.91	145.11	123.36	139.52	142.34	175.79	180.13	180.00	188.77	171.91	163.46	155.85
500	229.51	218.19	181.94	208.87	213.57	268.32	276.55	276.33	290.95	262.85	248.76	236.09
1000	423.52	400.88	328.38	382.24	391.64	503.14	517.59	517.16	546.39	490.20	462.02	436.68
3000	1199.56	1131.64	914.14	1075.72	1103.92	1438.42	1481.77	1480.48	1568.17	1399.60	1315.06	1239.04
5000	1975.60	1862.40	1499.90	1769.20	1816.20	2373.70	2445.95	2443.80	2589.95	2309.00	2168.10	2041.40
10000	3915.70	3689.30	2964.30	3502.90	3596.90	4711.90	4856.40	4852.10	5144.40	4582.50	4300.70	4047.30
20000	7795.90	7343.10	5893.10	6970.30	7158.30	9388.30	9677.30	9668.70	10253.30	9129.50	8565.90	8059.10

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All jurisdictional costs were broken down by FERC account and are being provided as part of this filing, section 285.0305 subsection e. All test year costs have out-of-period and pro-forma adjustments made to them before being entered into the COSS.

GasWorks 1.0 by Harvill, Elliot and Lazare was utilized to perform the COSS. External allocators developed for the study include:

- Number of Billing Units (derived from number of customers)
- Throughput
- Revenue (Weather-Normalized were appropriate)
- Coincident Peak (Average and Peak method)
- Non-Coincident Peak (Average and Peak method)
- Meters (Costs)
- Services (Costs)
- Residential Meters
- Non-Residential Meters

Billing Units

The method of arriving at the number of billing units is explained in Schedule E-5, page 1, pertaining to billing units used to calculate facility revenue.

Throughput

This represents the weather-normalized therm sales to each rate class.

Revenue

This represents the total weather normalized revenue from each rate class. Schedule E-5 outlines the rationale for arriving at this figure.

Coincident Peak

This number represents each customer class' contribution to the peak usage day. It is calculated using the average and peak method as shown in the COSS spreadsheet.

Non-Coincident Peak

This number represents each customer classes peak usage day. It is calculated using the average and peak method as shown in the COSS spreadsheet.

Meters

This number represents the cost of meters for each rate class. Consumers Gas is in the first year of a complete ten-year meter replacement program. Costs for new meters of all sizes are known. The rationale used to provide costs for meters for each class was based on multiplying the known costs of new meters by the number of meters in each rate class, thus assuming all new meters at test year costs for each class. The spreadsheet mtrcosts.wb2 is included in this Schedule.

Services

This number represents the cost of service lines for each rate class. Consumers Gas is in the process of replacing all uncoated steel service lines. Using data from the test year the average cost of new service lines of various sizes is known. The average cost of a new service multiplied by the number of service lines attributed to each rate class yields the total costs of services for each class. The spreadsheet servrate.wb2 is included in this schedule.

Residential Meters

Simply the costs of residential meters as outlined above.

Non-Residential Meters

Simply the cost of non-residential meters as outlined above.

The results of the COSS were then utilized as shown on page 6 to develop rates. To summarize page 6:

Line 1	Actual Expenses from COSS
Line 2	Total Rate Base from COSS
Line 3	Allocates the Revenue requirement to each class by its contribution to Rate Base and to Actual Expenses
Line 4	On page 1 of the COSS two lines were added to generate an equalized pretax ROR for each Rate Class. This was done by adding to or taking away revenues from each classes contribution to the total. The amount necessary to add or subtract to obtain an equalized pre tax ROR is shown on Line 4.

The remainder of the spreadsheet is devoted to obtaining rates which would yield the revenue requirement based on test year billings units and weather normalized sales.

Consumers Gas Company
Cost of Service Lines by Rate Classification

Darin L. Houchin
(630) 392-5502

Rate Classification	Service Lines	Number of Customers	Number of* Services	Average Cost ** of Service	Total Cost
1. Residential	1/2 inch service lines	**5286**	3670	123	451410
	3/4 inch service lines		1062	241	255942
	1 inch service lines		1023	832	851136
Subtotal			**5755**		**1558488**
2. Commercial	1/2 inch service lines	**672**	123	123	15129
	3/4 inch service lines		422	241	101702
	1" service lines		107	832	89024
	1 1/4 inch service lines		80	980	78400
Subtotal			**732**		**284255**
3. Industrial	2 inch service lines	**18**	18	1275	22950
Subtotal			**20**		**22950**
Total		**5976**	**6506**		**1865693**

*le service lines assigned to each customer class by prorated share
**verage cost of service for 1/2", 3/4" and 1" sizes are average costs for service lines installed in 1999. Costs for 1.25" and 2" services are calculated by taking the 1" costs and inflating them.

Meters by Rate Classification

Rate Classification	Meter Sizes in use	Number of Customers	Number of Meters	Cost per Meter	Total Cost
1. Residential	American AC 250	5286	5418	$53.35	$289,050.30
	American Al 425		8	$165.00	$1,320.00
subtotal			5426		$290,370.30
2. Commercial	American AC 250	672	593	$53.35	$31,636.55
	American Al 425		73	$165.00	$12,045.00
	American Al 800		90	$684.00	$61,560.00
	Rockwell 1600		27	$1,200.00	$32,400.00
	Rockwell 3000		8	$2,000.00	$16,000.00
	Rockwell 5000		6	$2,800.00	$16,800.00
	Rotary 7000		4	$3,000.00	$12,000.00
	Rotary 1500		6	$1,000.00	$6,000.00
	Turbine 9000		1	$2,000.00	$2,000.00
	Turbine 30000		2	$4,200.00	$8,400.00
subtotal			810		$198,841.55
3. Industrial	American AC 250	18	2	$53.35	$106.70
	American Al 425		1	$165.00	$165.00
	American Al 800		2	$684.00	$1,368.00
	Rotary 2000		4	$1,200.00	$4,800.00
	Rotary 3000		4	$1,500.00	$6,000.00
	Rotary 5000		4	$2,500.00	$10,000.00
	Turbine 18000		1	$2,600.00	$2,600.00
	Turbine 9000		1	$2,000.00	$2,000.00
	Correctors		8	$1,650.00	$13,200.00
subtotal			27		$40,239.70
TOTAL			**6263**		**$529,451.55**

Consumers Gas Company
Darin L. Houchin
618 392-5502

Development of Rates

Revenue Requirement	$507,222.00

Rate	Residential	Commercial	Industrial	Total
Actual Expenses from COSS	1,203,098	230,669	97,017	1,530,784.00
Total Rate Base from COSS	1,982,184	623,630	361,968	2,967,782.00
Operating Revenue Requirement (Allocates Proforma Revenue Requirement by Contribution) to Rate Base and Actual Expenses)	359,147	96,324	51,751	507,222.00
Intra Class Adjustment Factor From COSS Equalized Pre Tax ROR	$34,721.00	$45,734.00	($80,455.00)	0.0000
Weather Normalized Gas Revenue	$937,121.00	$260,333.00	$257,210.00	$1,454,664.00
PGA Revenue	$2,151,614.00	$681,702.00	$697,799.00	$3,531,115.00
Proposed Gas Revenue (Weather normalized Revenue+Revenue Requirement)+/-Adjustment Factor	$1,330,988.69	$402,390.86	$228,506.44	$1,961,886.00
Ratio of New Rev to Old Rev Excluding PGA	1.42	1.55	0.89	1.35
Ratio of New Rev to Old Rev Including PGA	1.13	1.15	0.97	1.10
Billing Units	63,432	8,064	216	71,712
Weather Normalized Therm Sales	4,945,470	1,668,890	2,955,840	9,570,200
Average Use per billing Unit	78	207	13,684	133
Proposed Facility Charges	$10.50	$14.50	$35.50	
Proposed Therm Charges	$0.1345	$0.1710	$0.0747	
Facility Revenue	$666,036.00	$116,928.00	$7,668.00	$790,632.00
Therm Revenue	$664,952.69	$285,462.86	$220,838.44	$1,171,254.00
Check	$1,330,988.69	$402,390.86	$228,506.44	$1,961,886.00

CONSUMERS GAS COMPANY
COST OF SERVICE AT PRESENT RATES
Darin L. Houchin, 618 392-5502

Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
	SUMMARY OF COST ALLOCATION						
	DEVELOPMENT OF RATE BASE						
	Natural Gas Plant In Service			6,338,890.95	4,302,493.99	1,422,510.99	613,849.34
	Less: Reserve for Depreciation			3,944,327.00	2,677,194.38	885,146.71	381,983.11
	Net - Plant In Service			2,394,563.95	1,625,299.61	537,364.27	231,866.23
	Rate Base Additions			1,252,221.62	817,747.96	238,636.51	195,834.67
	Rate Base Deductions			678,993.00	460,863.47	152,372.67	65,752.73
	TOTAL - RATE BASE			2,967,792.57	1,982,184.10	623,629.92	361,968.16
	DEVELOPMENT OF RETURN OPERATING REVENUES			1,466,862.00	944,979.17	262,516.01	259,366.82
	REVENUE TO GENERATE EQUALIZED PRE TAX ROR			1,466,862.00	979,700.00	308,250.00	178,912.00
	OPERATING EXPENSES						
	Operation and Maintenance Expense			1,121,239.50	921,330.62	148,098.84	51,809.45
	Depreciation and Amortization Expense			221,491.29	151,681.29	49,797.74	20,011.22
	Taxes Other Than Income Tax And Other*			188,056.17	130,086.28	32,772.54	25,197.29
	*For a list of other see below						
	TOTAL - OPERATING EXPENSES			1,530,786.96	1,203,098.19	230,668.92	97,017.97
	PRE-TAX OPERATING INCOME			(63,924.96)	(258,119.02)	31,847.09	162,348.85
	PRE-TAX RATE OF RETURN			0.49426	0.47674	0.42095	0.71655
	PRE-TAX RATE OF RETURN (Income/(Rate Base + Expenses))			0.33077	0.32283	0.29624	0.41743
	Equalized ROR			0.33077	0.33077	0.33078	0.33078
	PRE-TAX INDEXED RATE OF RETURN			1.00000	0.96455	0.85167	1.44973
	Income Tax Expense						
	Income Taxes			10,040.00	41,068.64	203.61	(22,923.18)
	Deferred Income Taxes						
	Investment Tax Credit Deferred - Net						
	TOTAL - INCOME TAX EXPENSE			10,040.00	41,068.64	203.61	(22,923.18)
	NET OPERATING INCOME		225,223	(73,964.96)	(299,187.66)	31,643.47	185,272.04
	AFTER-TAX RATE OF RETURN			(0.024923)	(0.150938)	0.050741	0.511846
	AFTER-TAX INDEXED RATE OF RETURN			1.00	6.06	(2.04)	(20.54)
	SUMMARY OF COST CLASSIFICATION						
	OPERATING EXPENSES						
	Production Expense			0.00	0.00	0.00	0.00
	Storage Expense			0.00	0.00	0.00	0.00
	Transmission Expense			0.00	0.00	0.00	0.00
	Distribution Expense			550,360.99	448,959.74	74,312.18	28,419.09
	Customer Accounts/Service Expense			0.00	0.00	0.00	0.00
	Sales Expense			6,579.29	3,399.90	1,147.32	2,032.07
	Administrative and General Expense			337,336.22	275,518.34	45,311.54	16,236.98
	Depreciation and Amortization Expense			221,491.29	151,354.34	49,890.40	19,966.09
	Taxes Other Than Income			72,105.17	55,316.41	12,003.27	4,681.16
	Other Ratemaking Expense			0.00	0.00	0.00	0.00
	Return on Rate Base (Pre-Income Tax)			1,454,664.00	937,121.00	260,333.00	257,210.00
	TOTAL - COST CLASSIFICATION			2,642,536.96	1,869,669.74	442,797.72	328,547.39
	SUB-CLASSIFICATION AS DEMAND, CUSTOMER OR COMMODITY						
	Number of Units						
	Unit Costs						
	SUB-CLASSIFICATION AS CUSTOMER OR COMMODITY						

Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
	Number of Units						
	Unit Costs						
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□□□□□□□□	EXTERNAL ALLOCATION FACTORS						
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	NATURAL GAS PLANT IN SERVICE- EXTERNAL ALLOCATION FACTORS						
	CUSTOMER-NUMBER OF BILLING UNITS			71,712	62,432	8,964	216
	Shares	AVCUST	CUST	1.00	0.88	0.11	0.00
	COMM-THROUGHPUT			957,020	494,847	160,889	295,884
	Shares	THRUPUT	COMM	1.00	0.52	0.17	0.31
	REVENUE			1,454,664	937,121	260,333	257,210
	Shares	REVENUE	REV	1.00	0.64	0.18	0.18
	**Weather Normalized Revenue						
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	NATURAL GAS PLANT IN SERVICE - EXTERNAL ALLOCATION FACTORS						
	AVERAGE AND PEAK-COINCIDENT						
		APCP	DEM	1.00	0.63	0.23	0.14
	DEMAND-COINCIDENT PEAK			145,386	91,739.00	32,893.00	20,754.00
	Shares	CP	DEM	1.00	0.63	0.23	0.14
	AVERAGE AND PEAK-NONCOINCIDENT						
		APNCP	DEM	1.00	0.63	0.23	0.14
	DEMAND-NONCOINCIDENT PEAK			145,386	91,739.00	32,893.00	20,754.00
	Shares	NCP	DEM	1.00	0.63	0.23	0.14
	CUST-METERS			529,452	290,370	190,842	48,240
	Shares	METERS	CUST	1.00	0.55	0.36	0.09
	CUST-SERVICES			1,865,693	1,589,486	254,200	22,008
	Shares	SERV	CUST	1.00	0.84	0.14	0.01
	CUST-RESIDENTIAL METERS			290,370	290,370	0	0
	Shares	R-MTR	CUST	1.00	1.00	0.00	0.00
	CUST-NONRESIDENTIAL METERS			239,082	0	190,842	48,240
	Shares	NR-MTR	CUST	1.00	0.00	0.83	0.17
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	NATURAL GAS PLANT IN SERVICE - CLASSIFICATION FACTORS						
		DEM					
		CUST					
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		DEM-CP376	DEM				
□□□□□□□	NATURAL GAS PLANT IN SERVICE						
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	NATURAL GAS PLANT IN SERVICE						

CONSUMERS GAS COMPANY
COST OF SERVICE AT PRESENT RATES
Darin L. Houchin, 618 392-5502

GasWorks 1.0
by
Harvill, Elliot & Lazare

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	Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
		INTANGIBLE PLANT						
	301	Organization	PLT301	PLANT1	45.00	30.47	10.07	4.35
	302	Franchises and Consents	PLT301	PLANT1	5,558.00	3,763.42	1,244.28	536.94
		TOTAL - INTANGIBLE PLANT			5,603.00	3,793.89	1,254.35	541.29
		NATURAL GAS PLANT IN SERVICE						
		DISTRIBUTION PLANT						
	365	Trans Land/Land Rights	PLT 365	APCP	194.00	122.92	43.84	27.10
	365	Trans Rights of Way	PLT 365	APCP	1,098.00	691.74	243.16	163.72
	366	Trans Structures/Improve	PLT 366	APCP	1,775.00	1,118.38	401.16	248.00
	367	Transmission Mains	PLT 367	APNCP	1,085,845.00	694,602.30	248,400.87	162,818.30
	369	Trans Meas/Reg Equip	PLT369	APCP	28,945.00	18,238.38	6,641.87	4,062.30
1	374	LAND AND LAND RIGHTS	PLT374	APCP	7,632.00	4,808.16	1,724.83	1,099.40
1	375	STUCTURES AND IMPROVEMEI	PLT375	APCP	19,430.08	12,240.00	4,391.20	2,720.21
1	376	Mains	PLT376	APNCP	1,825,294.00	1,149,938.22	412,616.64	266,541.16
1	378	Measuring and Regulating Stati	PLT378	APCP	327,673.00	206,433.90	74,064.10	46,674.22
1	379	Measuring and Regulating-City	PLT379	APCP	0.00	0.00	0.00	0.00
1	380	Services	PLT380	SERV	1,590,480.00	1,329,001.67	242,323.84	19,864.80
1	381	Meters	PLT381	METERS	568,570.00	311,823.68	213,533.23	43,213.09
1	383	House Regulators	PLT383	R-MTR	2,554.36	2,554.36	0.00	0.00
1	385	Comm/Ind Meas Reg	PLT385	NR-MTR	34,690.00	0.00	28,768.14	5,921.86
1	387	Other Equipment	PLT385	APCP	10,588.26	6,670.09	2,391.91	1,462.36
		DIST. PLANT	DIST1		5,504,668.70	3,727,308.45	1,232,340.41	531,785.94
		TOTAL - TRANS. & DIST. PLANT	TDPLT		1,117,857.00	704,249.91	252,635.66	156,499.98
		TOTAL MAINS & SERVICES	MAINSERV		3,415,774.00	2,478,526.79	654,840.28	275,105.75
		TOTAL METERS & HOUSE REGU	METER-HREG		571,124.36	314,378.04	213,533.23	43,213.09
		TOTAL - NATURAL GAS PLANT I	PLANT1		5,504,668.70	3,727,308.45	1,232,340.41	531,785.94
		(EXCLUDING INTANGIBLE AND GENERAL PLANT)						
		NATURAL GAS PLANT IN SERVICE						
		GENERAL PLANT						
1	389	LAND AND LAND RIGHTS	PLT389	PLANT1	0.00	0.00	0.00	0.00
1	390	Structures and Improvements	PLT390	PLANT1	345,566.00	233,882.67	77,380.25	33,382.96
1	390.1	Structures and Improvements-A	PLT391	PLANT1	0.00	0.00	0.00	0.00
1	391	Office Furniture/Equipment	PLT391	PLANT1	180,826.62	122,448.90	40,481.00	17,469.96
1	392	Trans Equipment	PLT392	PLANT1	167,250.00	113,247.83	37,442.67	16,167.41
1	394	Tools, Shop and Garage Equipm	PLT394	PLANT1	39,268.00	26,666.00	8,791.00	3,793.84
1	395	Lab Equip	PLT3895	PLANT1	281.00	190.37	62.91	27.16
1	396	Power Operated Equipment	PLT396	PLANT1	67,489.00	45,697.96	15,106.95	6,519.87
1	397	Communication Equipment	PLT397	PLANT1	27,948.63	18,924.81	6,396.91	2,700.02
		TOTAL - GENERAL PLANT	GENPLT		828,619.25	561,072.74	185,504.53	80,049.88
		ADJUSTMENT		PLANT1	0.00	0.00	0.00	0.00
		TOTAL - NATURAL GAS PLANT I	TOTPLT		6,338,890.95	4,292,175.07	1,419,099.30	612,377.11

NATURAL GAS PLANT IN SERVICE - RESERVE FOR DEPRECIATION

NATURAL GAS PLANT IN SERVICE - RESERVE FOR DEPRECIATION

DISTRIBUTION PLANT	DEPRES	PLANT1	2,443,196.00	1,664,331.18	[illegible]	236,626.38

10-AA00

GasWorks 1.0
by
Hewitt, Elliot & Lazare

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CONSUMERS GAS COMPANY
COST OF SERVICE AT PRESENT RATES
Darin L. Houchin, 618 392-5502

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Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
	OTHER OPERATING REVENUES						
1	Forfeited Discounts		REVENUE	5,458.00	3,816.14	875.75	968.87
1	Misc Service Revenue		REVENUE	6,740.00	4,342.03	1,208.22	1,191.75
	TOTAL - OTHER OPERATING REVENUES			12,198.00	7,858.17	2,183.01	2,156.82
	TOTAL - OPERATING REVENUESTOTOPRREV			1,466,862.00	944,979.17	262,516.01	259,366.82

NATURAL GAS PLANT IN SERVICE - OPERATION AND MAINTENANCE EXPENSE

Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
	OPERATION AND MAINTENANCE EXPENSE						
	DISTRIBUTION/TRANSMISSION - OPERATION						
1 826	Storage Expense	O&M826	DIST1	137,310.00	92,876.03	30,730.84	13,206.03
1 856	Mains	O&M856	DIST1	3,990.00	2,694.83	891.61	394.48
1 857	Measuring and Regulating Stati	O&M857	DIST1	9,650.00	6,634.18	2,180.38	832.26
1 858	Trans and Compression	O&M858	DIST1	31,158.00	21,067.83	6,978.48	3,010.06
1 870	Operation Supervision and Engi	O&M870	DIST1	27.48	18.89	6.18	2.88
1 874	Mains and Services	O&M874	MAINSERV	42,380.00	30,761.44	8,134.78	3,413.37
1 875	Measuring and Regulating Stati	O&M875	PLT378	7,092.00	4,487.00	1,002.70	882.00
1 876	Measuring and Regulating Stati	O&M876	PLT378	0.00	0.00	0.00	0.00
1 878	Meter and House Regulator Exp	O&M878	PLT381	207,307.00	207,307.00	0.00	0.00
1 879	Customer Installations	O&M879	PLT381	0.00	0.00	0.00	0.00
1 880	Other	O&M880	PLT381	28,041.00	16,378.07	10,531.13	2,131.20
1 881	Rents	O&M881	A. 871-880	0.00	0.00	0.00	0.00
	TOTAL - OPERATION EXPENSE			466,945.46	381,225.43	61,031.39	24,131.64
	DISTRIBUTION/TRANSMISSION - MAINTENANCE						
1 863	Maintenance of Mains	O&M863	PLT376	5,220.00	3,289.09	1,178.71	720.00
1 885	Maint Supervision	O&M885	PLT378	10,541.00	6,846.83	2,382.27	1,476.74
1 887	Maintenance of Mains	O&M887	PLT376	11,265.00	7,006.06	2,848.89	1,677.10
1 889	Maintenance of Measuring and	O&M889	PLT378	1,287.53	790.64	290.46	177.48
1 890	Maintenance of Measuring and	O&M890	PLT378	0.00	0.00	0.00	0.00
1 892	Maintenance of Services	O&M892	PLT380	17,239.00	14,460.43	2,626.62	212.06
893	Maintenance of Meters and Hou	O&M893	PLT381	37,883.00	33,066.06	4,200.64	114.11
	TOTAL - MAINTENANCE EXPENSE			83,415.53	65,734.31	13,280.79	4,287.26
	TOTAL - DISTRIBUTION EXPENSE			550,360.99	446,959.74	74,312.18	28,419.09

Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
	OPERATION AND MAINTENANCE EXPENSE						
	CUSTOMER ACCOUNTS - OPERATION						
1 901	Supervision	O&M901	AVCUST	18,828.00	16,654.06	2,117.30	56.71
1 902	Meter Reading Expense	O&M902	AVCUST	41,469.00	36,660.81	4,683.18	124.91
1 903	Customer Records and Collecti	O&M903	AVCUST	141,383.00	125,000.00	15,956.46	426.56
1 904	Uncollectible Accounts	O&M904	REVENUE	25,283.00	16,267.77	4,524.70	4,470.46
1 905	Miscellaneous	O&M905	Acct. 902-904	0.00	0.00	0.00	0.00
	TOTAL - CUSTOMER ACCOUNTS EXPENSE			226,963.00	194,681.42	27,203.63	5,077.95
	SALES - OPERATION						
1 913	Advertising Expense	O&M913	THRUPUT	6,579.29	3,399.90	1,147.32	2,032.07
1 914	Revenues from Merchandising,	O&M914	THRUPUT	0.00	0.00	0.00	0.00
1 915	Costs of Merchandising, Jobbin	O&M915	THRUPUT	0.00	0.00	0.00	0.00
	TOTAL - SALES EXPENSE			6,579.29	3,399.90	1,147.32	2,032.07
	ACCOUNTS & SALES	ACCSALES		233,542.29	198,081.32	28,350.95	7,110.02
	TOTAL - OPERATION AND MAINTO&M			783,903.28	645,041.06	[illegible]3.13	35,529.11

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GasWorks 1.0
by
Harold, Elliott & Lazaro
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CONSUMERS GAS COMPANY
COST OF SERVICE AT PRESENT RATES
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	Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
		DISTRIBUTION PLANT						
1	375	Structures and Improvements		PLT375	577.42	363.77	138.69	90.84
1	376	Mains		PLT376	55,168.00	34,760.84	12,487.87	7,723.82
1	378	Measuring and Regulating Station Equipment		APCP	9,655.00	6,092.66	2,182.83	1,361.70
1	379	Dist-City Gate		APCP	0.00	0.00	0.00	0.00
1	380	Services		PLT380	47,494.00	39,673.84	7,236.14	584.23
1	381	Meters		PLT381	17,032.00	9,340.94	6,396.57	1,294.49
1	383	House Regulators		PLT383	60.67	60.67	0.00	0.00
1	384	House Regulator Installations		PLT384	0.00	0.00	0.00	0.00
1	385	Measuring and Regulating Station Equipment		PLT385	1,303.00	0.00	1,083.69	219.31
		TOTAL - DISTRIBUTION PLANT			131,290.09	90,277.52	29,498.89	11,254.08
		TOTAL - DEPRECIATION AND A/DEPAMORT (EXCLUDING INTANGIBLE AND GENERAL PLANT)			165,125.39	113,188.00	37,071.66	14,522.78

NATURAL GAS PLANT IN SERVICE - DEPRECIATION AND AMORTIZATION EXPENSE

	Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
		GENERAL PLANT						
1	390	Structures and Improvements		PLT390	5,726.79	3,918.42	1,864.13	943.96
1	391	OFFICE FURNITURE AND EQUIP		PLT391	6,291.37	4,200.90	1,406.46	687.79
1	392	Trans Equipment		PLT391	35,800.00	24,240.81	8,014.81	3,460.81
1	394	Tools, Shop and Garage Equipm		PLT394	896.81	607.28	200.77	96.64
1	396	Power Operated Equipment		PLT396	3,458.00	2,341.47	774.16	334.06
1	397	Communication Equipment		PLT397	2,422.93	1,640.61	542.43	234.07
		TOTAL - GENERAL PLANT			57,597.90	39,000.56	12,894.55	5,584.32
		ADJUSTMENT		TOTPLT	(1,232.00)	(834.21)	(276.81)	(118.92)
		TOTAL - DEPRECIATION AND AMORTIZATION EXPENSE			221,491.29	151,354.34	49,690.40	19,968.09

NATURAL GAS PLANT IN SERVICE - TAXES AND OTHER RATEMAKING EXPENSE

	Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
		TAXES OTHER THAN INCOME TAX						
		FEDERAL TAXES						
1		FICA & IL UCT/FUTA		O&M	44,550.00	36,658.32	5,834.46	2,019.16
1		Unemployment Tax-PAYROLL TAX		O&M	0.00	0.00	0.00	0.00
		TOTAL - FEDERAL TAXES			44,550.00	36,658.32	5,834.46	2,019.15
		STATE TAXES						
1		Gross Receipts		REVENUE	0.00	0.00	0.00	0.00
1		Unemployment Tax		O&M	0.00	0.00	0.00	0.00
1		PUC Assessment-GROSS REV TAX		REVENUE	0.00	0.00	0.00	0.00
1		Tax on Invested Capital		TOTPLT	20,441.00	13,840.96	4,576.10	1,974.73
		TOTAL - STATE TAXES			20,441.00	13,840.96	4,576.16	1,974.73
		LOCAL TAXES						
1		Real Estate Tax		TOTPLT	7,073.00	4,789.26	1,583.46	683.30
1		Franchise Tax		TOTPLT	0.00	0.00	0.00	0.00
1		Retail/Use		TOTPLT	41.17	27.86	9.22	3.98
		TOTAL - LOCAL TAXES			7,114.17	4,817.13	1,592.68	687.27
		TOTAL - TAXES OTHER THAN INCOME TAX			72,105.17	55,316.41	12,003.27	4,681.16
		OTHER *						
		NON-UTILITY INCOME			0.00	0.00	0.00	0.00
		GAIN ON DISPOSED PROPERTY			984.00	633.91	176.10	173.99
		LOSS ON DISPOSED PROPERTY			0.00	0.00	[illegible]	0.00

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Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
	INTEREST INCOME			(20,511.00)	[illegible]	[illegible]	[illegible]
	INTEREST - LONG TERM DEBT			101,297.00	[illegible]	[illegible]	[illegible]
	AMORTIZATION - DEBT EXPENSE			2,604.00	[illegible]	[illegible]	[illegible]
	OTHER INTERST EXPENSE			31,577.00	[illegible]	[illegible]	[illegible]
	Total Other			115,961.00	74,697.74	20,751.10	20,502.16

NATURAL GAS PLANT IN SERVICE - DEVELOPMENT OF INCOME TAXES

	DEVELOPMENT OF INCOME TAXES						
	TOTAL - OPERATING REVENUES			1,466,862.00	944,979.17	262,516.01	259,366.82
	LESS:						
	OPERATION AND MAINTENANCE EXPENSE			1,121,239.50	920,589.40	147,974.67	51,766.09
	DEPRECIATION AND AMORTIZATION EXPENSE			221,491.29	151,354.34	49,890.40	19,968.09
	TAXES OTHER THAN INCOME TAX			72,105.17	56,316.41	12,003.27	4,681.18
	NON-UTILITY INCOME			0.00	[illegible]	[illegible]	[illegible]
	GAIN ON DISPOSED PROPERTY			984.00	[illegible]	[illegible]	[illegible]
	LOSS ON DISPOSED PROPERTY			0.00	[illegible]	[illegible]	[illegible]
	INTEREST INCOME			(20,511.00)	[illegible]	[illegible]	[illegible]
	INTEREST - LONG TERM DEBT			101,297.00	[illegible]	[illegible]	[illegible]
	AMORTIZATION - DEBT EXPENSE			2,604.00	[illegible]	[illegible]	[illegible]
	OTHER INTERST EXPENSE			31,577.00	[illegible]	[illegible]	[illegible]
	TOTAL - OPERATING INCOME BEFORE TAXES			(63,924.96)	(261,485.20)	(1,296.42)	145,952.55
	DEVELOPMENT OF INCOME TAXES						
1	ITC Adjustment		TOTPLT	0	[illegible]	[illegible]	[illegible]
1	Merchandise/Jobbing		REVENUE	0	[illegible]	[illegible]	[illegible]
	Personal Property Tax/Replacement Income Tax Taxable Income						
	Current Month PPTRIT @ 2.5%			0.00	0.00	0.00	0.00
	State Taxable Income	TAX-INC-S		(63,924.96)	(261,485.20)	(1,296.42)	145,952.55
1	State Income Taxes		TAX-INC-S	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL - PPTRIT AND STATE INCOME TAXES			15,896.00	65,022.63	322.38	(36,293.52)
	FEDERAL TAXABLE INCOME BEFORE ADJUSTMENT			(79,820.96)	(326,507.82)	(1,618.80)	182,246.07
	Federal Taxable Income	TAX-INC		(79,820.96)	[illegible]	[illegible]	[illegible]
1	Federal Taxes*		TAX-INC	(5,856.00)	[illegible]	[illegible]	[illegible]
	*Minus ITC adjustment						
	INCOME TAX EXPENSE (CURRENT AND DEFERRED)						
	INCOME TAXES						
	Federal Taxes			(5,856.00)	(23,963.98)	(118.76)	13,370.34
	State Taxes			15,896.00	65,022.63	322.38	(36,293.52)
	TOTAL - INCOME TAXES			10,040.00	41,058.64	203.61	(22,923.18)
	DEFERRED INCOME TAXES*						
1	Provision for Deferred Federal Income Tax		TOTPLT	0	[illegible]	[illegible]	[illegible]
1	Provision for Deferred Federal Income Tax		TOTPLT	0	[illegible]	[illegible]	[illegible]
1	Provision for Deferred State Income Tax		TOTPLT	0	[illegible]	[illegible]	[illegible]

CON[redacted]S GAS COMPANY
COST OF SERVICE AT PRESENT RATES
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GasWorks 1.5
by
Harvill, Elliott & Lazare

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Account	Description	AF / OUT	AF / IN	TOTAL	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
1	Provision for Deferred State Income Tax		TOTPLT	0	0.00	0.00	0.00
	TOTAL - DEFERRED INCOME TAXES *DEFERRED TAX LIABILITY NOT CONSIDERED			0	0	0	0
	INVESTMENT TAX CREDIT - NET		TOTPLT	0	0.00	0.00	0.00
	TOTAL - OPERATING EXPENSE			1,424,875.96	1168298.80	209871.96	53492.15
	DEFERRED INCOME TAXES						
	TOTAL - DEFERRED INCOME TAXES			0	0	0	0
	INVESTMENT TAX CREDIT - NET		TOTPLT	0	0.00	0.00	0.00

[redacted]